

EXHIBIT 6

Page 1	Page 3
<p style="text-align: center;">THERESA A. CHAVEZ - 30(b)(6)</p> <p style="text-align: center;">IN THE UNITED STATES DISTRICT COURT</p> <p style="text-align: center;">FOR THE SOUTHERN DISTRICT OF NEW YORK</p> <p style="text-align: center;">-----X</p> <p style="text-align: center;">GRANITE STATE INSURANCE COMPANY,</p> <p style="text-align: center;">Plaintiff,</p> <p style="text-align: center;">v. Civil Action No. 2009 Civ.10607</p> <p style="text-align: center;">CLEARWATER INSURANCE COMPANY, f/k/a ODYSSEY REINSURANCE CORPORATION, f/k/a SKANDIA AMERICA REINSURANCE CORPORATION,</p> <p style="text-align: center;">Defendants.</p> <p style="text-align: center;">-----X</p> <p style="text-align: center;">DEPOSITION OF THERESA A. CHAVEZ 30(b)(6) New York, New York Wednesday, December 15, 2010</p> <p style="text-align: center;">REPORTED BY: BARBARA R. ZELTMAN Professional Stenographic Reporter</p> <p style="text-align: center;">Job Number: 2318</p>	<p style="text-align: center;">THERESA A. CHAVEZ - 30(b)(6)</p> <p style="text-align: center;">A P P E A R A N C E S:</p> <p style="text-align: center;">MOUND, COTTON, WOLLAN & GREENGRASS</p> <p style="text-align: center;">Attorneys for the Plaintiff</p> <p style="text-align: center;">One Battery Park Plaza</p> <p style="text-align: center;">New York, New York 10004</p> <p style="text-align: center;">BY: STUART COTTON, ESQ.</p> <p style="text-align: center;">CLYDE & CO. US LLP</p> <p style="text-align: center;">Attorneys for the Defendants</p> <p style="text-align: center;">405 Lexington Avenue</p> <p style="text-align: center;">New York, New York 10174</p> <p style="text-align: center;">BY: STEPHEN M. KENNEDY, ESQ.</p> <p style="text-align: center;">ALSO PRESENT: Lisa A. Keenan, Esq., OdysseyRe</p>
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1 (Pages 1 to 4)

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1	THERESA A. CHAVEZ	1
2	just want to object to the extent the	2
3	form of the question as far as I	3
4	understand it, we're talking about	4
5	"claims", not "claim."	5
6	MR. COTTON: Okay.	6
7	MR. KENNEDY: So to that	7
8	extent, I have an objection to the	8
9	form of the question.	9
10	MR. COTTON: Okay.	10
11	Q Let's consider the last questions.	11
12	This may change your answer to be "claims"	12
13	rather than "claim."	13
14	A Well, I think as I said, there are	14
15	certainly four claims under different	15
16	facultative certificates for the insured	16
17	here, McGraw Edison.	17
18	Only two of them are at issue in	18
19	this litigation.	19
20	I don't recall specifically what	20
21	the dates were on the two that are here or	21
22	any of them specifically.	22
23	I believe that between the four of	23
24	them it was late 2008 and early 2009 that we	24
25	received the first reports.	25
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1	THERESA A. CHAVEZ	1
2	Because each -- the claim under	2
3	each certificate was not reported	3
4	necessarily at the same time. They came in	4
5	at different times.	5
6	Q So assuming that we have several	6
7	reports under different certificates, when	7
8	you said 2008/2009, were you referring to	8
9	the earliest report under any certificate?	9
10	A Yes. It was either late 2008/early	10
11	2009.	11
12	MR. COTTON: Let me mark as the	12
13	next exhibit, the document doesn't	13
14	have an actual date, but it has a	14
15	prepared date of 11-22-82.	15
16	Bates Numbers CW-00027.	16
17	(Granite Exhibit 3, Internal	17
18	Skandia form prepared on 11-22-82,	18
19	CW-00027, was marked for	19
20	Identification.)	20
21	BY MR. COTTON:	21
22	Q Could you tell me what this is?	22
23	A Well, it's an old form that would	23
24	have been prepared by our underwriting	24
25	office when a claim was set up. But in this	25
Page 15		
THERESA A. CHAVEZ		
instance no claim has actually been set up		
because there's no claim number here, and		
the cedent company claim number is listed as		
none.		
So I'm not sure what the purpose of		
this being created was without seeing the		
other documents that relate to it from		
whatever file it came out of.		
MR. COTTON: Can you read that		
back to me, please.		
(Requested portion of record read:		
"A Well, it's an old form that		
would have been prepared by our		
underwriting office when a claim was set		
up. But in this instance no claim has		
actually been set up because there's no		
claim number here, and the cedent company		
claim number is listed as none.		
"So I'm not sure what the purpose		
of this being created was without seeing		
the other documents that relate to it		
from whatever file it came out of.")		
(End of read-back.)		
Q In the lower left-hand corner		
THERESA A. CHAVEZ		
although it's slightly obscured, it appears		
to say "Casualty Facultative Claim Notice."		
Is this not a claim notice?		
A This in itself? No. This is not a		
claim notice.		
Q Is this a confirmation of a claim		
notice?		
A No. It's an internal document that		
would have been prepared but the fact that		
it was prepared doesn't mean that a claim		
was reported to us by the cedent.		
As I said, I can't determine what		
the basis of this being prepared was without		
seeing the other documents that relate to		
it.		
Q Now, it says -- it has a cedent		
company Policy Number 66812370.		
Do you recall that that's the		
policy number under the certificate which is		
involved in this litigation?		
A I have no idea what the policy		
numbers under the certificate are off the		
top of my head. I usually don't memorize		
that information.		

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1	THERESA A. CHAVEZ	1	THERESA A. CHAVEZ
2	Q Do you see the certificate number	2	documents in front of me, then I can testify
3	on the form?	3	what they relate to and that they belong
4	A Yes.	4	with this document.
5	Q Do you recognize that one?	5	Q By the way, there's a reported date
6	A Yes. That appears to be one of our	6	down in the lower right-hand portion of the
7	certificate numbers.	7	form. It says 4-'82.
8	Q Involved in this case, right?	8	Do you know what that relates to?
9	A Yes. It's 1981, yes.	9	A Whatever information was being
10	Q You see the initials R -- maybe	10	relied on to create this form, most likely
11	middle initial O.	11	was received in 4 of '82.
12	Do you know who that was?	12	Q Is it fair to say that it was most
13	A No.	13	likely reported to Skandia in 4 of '82?
14	Q Do you remember the name O'Brien as	14	A Something was reported to Skandia
15	a person who was at Skandia back in those	15	in 4 of '82. The question is what was
16	days?	16	reported to Skandia in 4-of '82 and that I
17	A I wasn't at Skandia back in those	17	can't tell from this document.
18	days, so no, I don't necessarily remember	18	MR. COTTON: We're going to
19	that name.	19	mark as the next exhibit a -- looks
20	Q Is that a name that you remember	20	like a memo to file, dated March 23,
21	seeing in reviewing the file?	21	1982, authored by Marsh & McKlennen,
22	A Yes, I do recall seeing the name in	22	Bates Number CW-00017 through 19.
23	the file, but I didn't know him personally	23	(Granite Exhibit 4, Memo to
24	or wouldn't have known him because it would	24	file dated March 23, 1982 authored
25	have been somebody in the Chicago office.	25	by Marsh & McKlennen, CW-00017
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1	THERESA A. CHAVEZ	1	THERESA A. CHAVEZ
2	Q You could tell from the file,	2	through CW-00019, was marked for
3	though, that he is somebody who was at	3	Identification.)
4	Skandia and an underwriter?	4	BY MR. COTTON:
5	A Well, I know from the review of the	5	Q Do you recall having seen that
6	documents that he was an underwriter but I	6	before?
7	don't have personal knowledge of what he	7	A Yes.
8	did. He was in the underwriting branch	8	Q Did you see it yesterday?
9	office.	9	A Yes, I believe so.
10	Q You said earlier that you couldn't	10	Q Is it fair to say that this came
11	tell whether a claim had been made by the	11	out of the underwriting file?
12	cedent without seeing the rest of the	12	A Yes.
13	documents that might relate to this,	13	Q Do you agree this is the underlying
14	correct?	14	claim about which we are in dispute here?
15	A Right.	15	A No, I don't.
16	Q And I gather that you have not in	16	Q Explain to me why not.
17	your review of the file, to your	17	A Because this is just a memo that
18	recollection, seen such other documents?	18	indicates that certain claims are being made
19	MR. KENNEDY: I just object to	19	against Wagner Brake, which is a division of
20	the form of the question.	20	McGraw Edison, by certain claimants as a
21	MR. COTTON: That's a bad	21	result of asbestos.
22	question. I agree.	22	It's 32 claimants. Only 32
23	A I have seen some documents that may	23	claimants. They are not necessarily the
24	relate to this, but I'm not going to testify	24	same claimants. They most likely are not
25	about those from my memory. If I see the	25	the same claimants that are make the claims

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1 THERESA A. CHAVEZ	1 THERESA A. CHAVEZ
2 A I can't speak to why he thought it	2 Q The same original insured?
3 was necessary to put the claims department	3 A The same original insured issued by
4 on notice of these claims.	4 that particular branch office.
5 Q Now, without going any further in	5 Because if we issued certificates
6 reviewing documents concerning the McGraw	6 in different branch offices, each branch
7 Edison asbestos claims that are the subject	7 office would have its own file for that
8 of the documents we already reviewed, and	8 insured, but within each branch office there
9 assuming that the documents we've reviewed	9 would have been a file for that insured.
10 are all part of the underwriting file for	10
11 T27675, which is the underwriting file's	11
12 cover page created by Clyde & Co., or	12
13 folder, identified as G6.	13
14 Can you now say whether or not what	14
15 we marked as Exhibit 3 reflects a claim	15
16 reported to Skandia?	16
17 MR. KENNEDY: Objection to the	17
18 form of the question.	18
19 A I would still say it does not	19
20 reflect a claim reported to Skandia. It's	20
21 just a form that was used to house -- so	21
22 they can set up a file to house this	22
23 information.	23
24 There is nothing in the documents	24
25 that we've reviewed thus far that indicate	25
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1 THERESA A. CHAVEZ	1 THERESA A. CHAVEZ
2 there is a claim against the coverage issued	2 Q So if Skandia had issued
3 by Skandia.	3 certificates for several years in a row,
4 MR. COTTON: Let's mark as the	4 same essential reinsurance coverage, would
5 next exhibit a letter from Marsh &	5 it have a separate file for each year?
6 McKlennen dated February 10, 1983 to	6
7 a Mr. William Green at CV Starr &	7
8 Company.	8
9 Bates Numbers CW-00391 through 393.	9
10 (Granite Exhibit 8, Letter	10
11 dated February 10, 1983, CW-00391	11
12 through CW-00393, was marked for	12
13 Identification.)	13
14 BY MR. COTTON:	14
15 Q Before we get to this document, I	15
16 want to go over something you said earlier	16
17 concerning how underwriting files are kept.	17
18 Did I correctly understand that	18
19 underwriting files are not maintained	19
20 divided by or separated into separate	20
21 certificate numbers but, rather, separate	21
22 certificate numbers that may be combined	22
23 where it's the same -- I'm stumbling here.	23
24 The same cedent?	24
25 A The same insured.	25

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1	THERESA A. CHAVEZ	1	THERESA A. CHAVEZ
2	Brattle report, so I'm not sure what the	2	Skandia form, CW-00181, was marked
3	roles of each of those parties were.	3	for Identification.)
4	Q And you seen parts of the Brattle	4	BY MR. COTTON:
5	report?	5	Q Am I right that this is like
6	A I may have seen parts of the	6	Exhibit 3, but for the other certificate, an
7	Brattle report in relation to other claims	7	internal record that Skandia created back at
8	from other parties, but I don't think I've	8	the time that this matter -- and I will get
9	seen it in relation to -- at least I don't	9	into whether it's a claim or whatever this
10	recall seeing it in relation to these claims	10	matter was reported through Skandia?
11	for other claims for AIG.	11	A Yes, it's the same internal
12	Q And what is your understanding of	12	document that appears to have been created
13	the purpose from which the Brattle report	13	at the time some information was reported to
14	was prepared?	14	our underwriters.
15	A Well, as I just said, I'm not sure	15	Q And like the other document, in the
16	what the role of both Nera and Brattle were	16	lower left-hand corner, it is -- it says
17	and which portions of the claim they were	17	"Casualty Facultative Claim Notice,"
18	assigned to evaluate and how exactly that	18	correct?
19	worked. So I'm not certain.	19	A Yes. Right.
20	Q But it is your view that arriving	20	Q And this is a document that is from
21	at the proper allocation is an exercise that	21	the underwriting file, correct?
22	can properly be done based on the Nera and	22	A Yes. I believe so. It says
23	Brattle reports?	23	"branch office copy," so...
24	MR. KENNEDY: Object to the	24	Q And the date, 4-82 in the
25	form of the question.	25	right-hand corner under the word "reported"
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1	THERESA A. CHAVEZ	1	THERESA A. CHAVEZ
2	A Right. Because it's our	2	is the date that it was reported to Skandia,
3	understanding that they're both involved in	3	approximately?
4	working with the insurer carrier group as a	4	A I believe that's the approximate
5	whole to determine what the exposures were	5	date that the underwriting information
6	for the claims that were presented, at least	6	regarding some pending asbestos claims
7	with respect to the Halliburton piece of the	7	against McGraw Edison were reported to
8	settlement. I'm not sure they were involved	8	Skandia.
9	in the Federal Mogul part of the claim as	9	MR. COTTON: Let's mark as the
10	well.	10	next exhibit another copy of a
11	Q You are familiar with a rising	11	document that we marked earlier, but
12	bathtub allocation methodology?	12	this one, subject to all of those
13	A Yes.	13	caveats that Mr. Kennedy's
14	Q And is it appropriate in certain	14	explanation of the file folders,
15	circumstances, in your view?	15	their having been created by his
16	A It can be, yes.	16	firm, came out of the underwriting
17	MR. COTTON: Mark a few more	17	file for the certificate that is
18	exhibits.	18	identified in CW-00181, which is
19	Let's mark as Exhibit 13, a	19	Exhibit 13.
20	document bearing Bates Number CW-00181.	20	MR. KENNEDY: I'm sorry. Did
21	It is similar to what we marked, I think,	21	we mark this?
22	as 3, but this is for the other	22	MR. COTTON: We marked a
23	certificate in the case, which is	23	different version.
24	Certificate C26285.	24	MR. KENNEDY: So is this
25	(Granite Exhibit 13, Internal	25	officially marked as an exhibit.

<p style="text-align: right;">Page 73</p> <p>1 THERESA A. CHAVEZ</p> <p>2 Q Now, am I correct that the part</p> <p>3 about promptly investigate and settle all</p> <p>4 claims under the policy is not a focus of</p> <p>5 Clearwater's defense?</p> <p>6 A Correct. It's the second line of</p> <p>7 it.</p> <p>8 Q Second part of it?</p> <p>9 A That it would notify Skandia</p> <p>10 promptly of any event or development which</p> <p>11 the company reasonably believes might result</p> <p>12 in a claim against Skandia.</p> <p>13 Q Am I correct that you do not</p> <p>14 believe that the report reflected in</p> <p>15 Exhibit 3, which is Casualty Facultative</p> <p>16 Claim Notice, did not notify Skandia of any</p> <p>17 event or development which the company</p> <p>18 reasonably believes might result in a claim</p> <p>19 against Skandia?</p> <p>20 A That's correct. There's no</p> <p>21 indication there would be a claim against</p> <p>22 Skandia based on the information in that</p> <p>23 report.</p> <p>24 Q Well, the words "might" was on it?</p> <p>25 A Might.</p>	<p style="text-align: right;">Page 75</p> <p>1 THERESA A. CHAVEZ</p> <p>2 should have notified Skandia that would not</p> <p>3 have been late?</p> <p>4 A Well, I think that's something that</p> <p>5 we're still trying to determine based on the</p> <p>6 documents that we've requested.</p> <p>7 Again, we don't have the exposure</p> <p>8 analyses that were performed to evaluate</p> <p>9 their exposure, but certainly this claim was</p> <p>10 pending against Granite State; the insured</p> <p>11 had made a claim for coverage under Granite</p> <p>12 State's policy.</p> <p>13 Once the insured made the claim for</p> <p>14 coverage under the Granite State policy and</p> <p>15 had filed that DJ action, whether it was in</p> <p>16 the bankruptcy court or in state court, I</p> <p>17 don't recall off the top of my head, but</p> <p>18 once those claims were filed and Granite</p> <p>19 State became aware that it was no longer</p> <p>20 120 claims that were pending against this</p> <p>21 insured, but there were thousands of claims</p> <p>22 pending against the insured and that the</p> <p>23 insured was actually seeking coverage from</p> <p>24 Granite State under the policies to pay</p> <p>25 those claims, at that point when it became a</p>
<p style="text-align: right;">Page 74</p> <p>1 THERESA A. CHAVEZ</p> <p>2 Q You don't think it satisfies?</p> <p>3 A No, it doesn't satisfy.</p> <p>4 Q And do you agree that -- I'll</p> <p>5 withdraw that.</p> <p>6 Now, we have these dates, 2-8,</p> <p>7 2-09, when you believe Skandia or Clearwater</p> <p>8 or whoever it was at the time was notified</p> <p>9 of an event or development which the company</p> <p>10 reasonably believed might result in a claim;</p> <p>11 is that correct?</p> <p>12 MR. KENNEDY: Object to you say</p> <p>13 dates "2-8 or '09." I'm not clear on</p> <p>14 the question.</p> <p>15 Q Your earlier testimony I believe,</p> <p>16 and I may not recall it correctly, is that</p> <p>17 you believe that the first notification</p> <p>18 under the certificate that was given by</p> <p>19 Granite to Skandia/Clearwater was in 2008 or</p> <p>20 2009; is that fair to say? Is that what you</p> <p>21 said?</p> <p>22 A Yes.</p> <p>23 Q And you believe that was late?</p> <p>24 A Yes.</p> <p>25 Q Now, when do you believe Granite</p>	<p style="text-align: right;">Page 76</p> <p>1 THERESA A. CHAVEZ</p> <p>2 much more realistic possibility that there</p> <p>3 was going to be an exposure under these</p> <p>4 policies, the matter should have been</p> <p>5 reported to Odyssey at that time.</p> <p>6 What that date is I'm not entirely</p> <p>7 certain but it goes back to well before</p> <p>8 2008. It would go back to at least 2002 or</p> <p>9 possibly even earlier than that.</p> <p>10 Q And at that time, you believe that</p> <p>11 there should have been a notification and</p> <p>12 that would have been the initial notice of</p> <p>13 claim?</p> <p>14 A Yes. Because that would have been</p> <p>15 the initial notice of a claim for coverage</p> <p>16 under Granite State's policy.</p> <p>17 The information that had been</p> <p>18 provided previously was not notice of a</p> <p>19 claim under the policy or the certificate.</p> <p>20 It was just notice of some pending claims</p> <p>21 against the insured and it was provided for</p> <p>22 underwriting purposes, not for claims</p> <p>23 purposes.</p> <p>24 MR. COTTON: Let's mark as the</p> <p>25 next exhibit, the Answer to Amended</p>